



METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
Tel: 510.464.7700
TDD/TTY: 510.464.7769
Fax: 510.464.7848

Memorandum

TO: Advisory Council

DATE: February 2, 2004

FR: Ashley Nguyen

W.I.:

RE: Draft TLC Program Guidelines

ACTION REQUESTED

Approve the Draft TLC Program Guidelines (see attachment).

Follow-Up Issues / Actions Taken

At your January 14 meeting, the Advisory Council reviewed the major changes to the TLC Program Guidelines. Members suggested that MTC better define what “underrepresented” stakeholder means, and consider “back end” performance measures to evaluate the effectiveness of the outreach effort. In addition, MTC should reward HIP funds based upon percentage increases in density over the current zoning rather than use units per acre.

The Draft TLC Guidelines has been revised to clarify that outreach should involve a diversity of participants who reflect a broad range of ethnicity, incomes and special needs of the community. MTC also added a requirement that upon conclusion of the planning process sponsors must demonstrate how well the outreach process was implemented in terms of accessibility of the outreach process to serve diverse geographic, language and ability needs; impact of public outreach and involvement on the community project; and satisfaction of outreach process as expressed by participants. These performance measures were used to evaluate the outreach effort for the 2001 Regional Transportation Plan.

For the Housing Incentive Program, MTC will define density in terms of units per acre rather than percentage increases for several reasons. First, basing the density on a "relative" density will allow projects that are not even close to the densities that HIP is trying to promote to receive funding. For example, if an existing neighborhood is generally single family (a density of 5 units to the acre) and a new project proposes a duplex on a project site (10 units per acre) the project will appear to be a 100% increase in density. Yet considered alone, a project of ten units per acre is not enough to support transit, or even create a noticeable different in pedestrian traffic, and therefore should not receive HIP funding. Second, defining the parameters of how to measure a community's "existing density" is difficult, and could add an onerous task for the applicant. For example, is existing density based on the density of the neighborhood surrounding the project? How is that neighborhood defined and who defines it? Is it a half mile radius around the project? Is it the just the parcels immediately adjacent to the project? While some cities may have a GIS system that includes a parcel layer with parcel size and number of units, many don't. Applicants will have to conduct property surveys on foot to determine current densities, and look up parcels individually on County assessor records to get the square footage. It could be very labor intensive, and the results could vary dramatically depending on how big an area is considered around the project. And lastly, local general plans and zoning ordinances describe residential densities by units per acre.

On January 26, 2004, the Partnership Board approved the Draft TLC Guidelines (without the revisions described above).

Key Highlights of Proposed Changes to TLC Program Guidelines

1. New TLC Goals

TLC supports community-based transportation projects that:

- Are developed through a collaborative and inclusive planning process that includes broad partnerships among a variety of stakeholders such as public agencies, community-based organizations and community stakeholders, and outreach to *a diversity of participants*.
- Improve a range of transportation choices by adding or improving pedestrian, transit, and/or bicycle facilities, and by improving the links between these facilities and activity nodes.
- Support well-designed, high-density housing and mixed use developments that are well served by transit, or will help build the capacity for future transit investment and use.
- Support a community's infill or transit-oriented development and neighborhood revitalization activities
- Enhance a community's sense of place and quality of life.

2. Changes to Planning Program

- Require a 20 percent local match.
- Require project sponsor to describe proposed outreach strategy to be undertaken, and upon conclusion of the planning effort, demonstrate how well the outreach process was implemented.
- Change the "Additional Factors" used to evaluate competing projects to include: (1) *Project Innovation* in project scope and outreach strategy, (2) *Land Use Links* by supporting higher density housing and mixed use development, and (3) amount of *Local Match* beyond required match and demonstration of leveraging of other funding.

3. Changes to Capital Program

- Increase size of grants to a minimum of \$500,000 and maximum of \$5 million (current range is \$150,000 to \$2 million).
- Revise the land use criterion to be more explicit about the need for capital projects to support the channeling of new growth to established areas of the region, such as areas zoned for a mix of land uses, or a project area where major transit infrastructure exists or is planned such as Resolution 3434 corridors.
- Add a criterion that asks whether or not the proposed project serves a traditionally low-income neighborhood.

4. Changes to Housing Incentive Program

- Increase size of grants to a maximum of \$5 million (current program does not specify a range).
- Retain the one-third mile walking distance from housing to bus/ferry transit but allow one-half mile walking distance for projects located near rail stations because current literature indicates that people are willing to walk greater distances (up to one-half mile) to a rail station.
- Retain the 15-minute transit service headway requirement but allow two exceptions for 30-minute headways or less – one for North Bay housing projects located in a downtown/central business district and the other for housing projects located along Resolution 3434 approved stops/stations (with special consideration for longer headways if project sponsor demonstrates transit operator's commitment to increase the headway for the Resolution 3434 transit project in the near term).
- Modify the density thresholds and award amounts to: 20 units per acre: \$1,000 per bedroom (Applies only to North Bay); 30 units per acre: \$1,500 per bedroom; 40 units per acre: \$2,000 per bedroom; and 60 units per acre: \$2,500 per bedroom.
- Add a sliding scale for the affordable housing bonus: \$700 per extremely low income unit bedroom; \$500 per very low income unit bedroom; and \$400 per lower income unit bedroom.

Related Policy Issues

As the CMA Task Force was conducting its initial evaluation, the Commission's overall transportation-land use platform was being developed for Phase One of the Transportation 2030 Plan. As part of that process, a number of issues emerged that may influence further modification to, or the implementation of, the TLC/HIP programs:

1. The platform includes specific provisions for the development of specific plans, especially within key transit corridors. The funding for this program in whole or in part will come from the \$27 million per year dedicated to TLC/HIP and \$4.6 million per year for the CMA Planning/T-PLUS programs. But while the funding amounts remains to be determined, MTC staff's initial recommendation is to set-aside five to 10 percent of the \$189.6 million committed to TLC/HIP and CMA Planning/T-PLUS programs over the six-year reauthorization period towards specific plans, with flexibility to direct it a Commission discretion.
2. The funding distribution between TLC/HIP has not been determined. The last capital funding cycle had assigned \$9 million to each; however, it remains to be determined whether this "50/50" split assignment best supports the transportation-land use objectives of the Commission. Our recommendation is to start with the 50/50 split assumption with a 25/75 to 75/25 shift depending on the quality of the applicant pool in any given cycle.
3. The increased funding available for T-PLUS under the Phase One recommendations, coupled with the outcome of the recent TLC program evaluation, provides an opportunity to discuss whether the investments in these programs should be more targeted, at least for the regional elements of the program. Should we focus the regional program, we recommend some fixed percentage of TLC/HIP funds go to fund recommendations from completed transit-supportive specific plans that may either be funded independently or in part through MTC's soon-to-be-developed land use/specific plan program.